Manitoba

Annual Report 1987 - 88

Municipal Affairs

The Surface Rights Board

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Manitoba

Minister of
Municipal Affairs

Winnipeg, Manitoba, CANADA
R3C 0V8

June 30, 1988

His Honour George Johnson
Lieutenant-Governor of Manitoba
235 Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the privilege of presenting to you the Annual Report of the Surface Rights Board of Manitoba for the Fiscal Year ending March 31, 1988.

Respectfully submitted,

J. Glen Cummings

J. Glen Cummings

Manitoba

Municipal Affairs

The Surface Rights Board

1406 — 405 Broadway
Winnipeg, Manitoba, CANADA
R3C 3L6

(204) 945-0845

June 30, 1988

The Honourable Glen Cummings
Minister Responsible for
The Surface Rights Act
Room 330 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Sir:

Pursuant to the provisions of Section 15 of the Surface Rights Act, the Board is pleased to submit its annual report for the fiscal year ending March 31, 1988.

Yours truly,

J.D. McNairnay, Q.C.
Presiding Member

1987 HIGHLIGHTS

A redraft of The Surface Rights Act was proclaimed in force January 1, 1988.

During 1987, 107 wells were drilled in Manitoba, a 21% decrease from 1986's total of 135 wells.

Surface Rights owners received approximately $4 million from rental payments during 1987.

Municipal tax assessments on oilfield equipment and pipelines were estimated to be $8.8 million (with taxes paid amounting to approximately $1.8 million).

Major Changes To The Act:

Abandonment - The Board only becomes involved when there is a dispute over the abandonment or restoration.

Costs - Where an offer made by an operator is less than 90% of what the Board awards, costs will be awarded to the landowner. In the reverse situation, the awarding of costs is clearly in the discretion of the Board.

Determination of Compensation -

Section 26 has an addition that "... the terms of a comparable lease agreement that a party may submit to the Board for consideration".

Appeal - An Order of the board may be appealed to the Court of Appeal upon the grounds that the Board

(a) failed to observe a principle of natural justice;

(b) acted beyond or refused to exercise jurisdiction;

(c) made any other error of law.

THE SURFACE RIGHTS BOARD OF MANITOBA

MINISTER RESPONSIBLE FOR THE SURFACE RIGHTS ACT

THE HONOURABLE J. GLEN CUMMINGS

THE BOARD

MR. J.D. MCNAIRNAY, Q.C.	PRESIDING MEMBER
MR. HOWARD NIXON	DEPUTY PRESIDING MEMBER
MR. KEN CARELS	MEMBER
Mr. MATTHEW BRITTON	MEMBER
MRS. MARGARET IRWIN	MEMBER

COUNSEL

MR. NEVILLE D. SHENDE, Q.C.	BOARD SOLICITOR

THE STAFF

MR. BRYAN SHERIDAN	SECRETARY TO THE BOARD
MRS. CATHY ACKLAND	ADMINISTRATIVE SECRETARY

THE RESPONSIBILITIES OF BOARD MEMBERS

The Act provides for the Surface Rights Board and empowers the Board to administer and enforce The Act. The Board is presently composed of five Members, one of whom is the Presiding Member and another who is designated the Deputy Presiding Member.

Members are appointed by the Lieutenant Governor in Council and represent various geographic, social and economic sectors of the province.

In discharging its responsibility for administration of The Act, the Board may:

(a) Hold sittings from time to time at such times and places in the province as it may deem expedient;

(b) Enter upon and inspect or authorize any Member of the Board or other person to enter upon and inspect any place, building, works or other property directly or indirectly involved in any matter before the Board;

(c) Appoint, or direct, to inquire into and report upon, any matter before the Board. The Members are not full time Board Members, but are paid on a per diem basis.

THE PURPOSE OF THE SURFACE RIGHTS ACT

The Surface Rights Act was proclaimed to be in force August 9, 1983.

The purposes of The Act are:

(a) To provide for a comprehensive procedure for acquiring and utilizing surface rights;

(b) To provide for the payment of just and equitable compensation for the acquisition and utilization of surface rights.

(c) To provide for the maintenance, preservation and restoration of the surface of land acquired in connection with surface rights.

(d) To provide for the resolution of disputes between operators, occupants, and owners arising from the entry upon, use or restoration of the surface of the land.

POWERS OF THE BOARD

Fulfilling its mandate to provide for the concerns of both landowners and the oil industry in Manitoba, the Board is empowered to:

(a) Administer and enforce the Act and the regulations;

(b) Carry out surveys and research programs and obtain statistics for the purposes of the Board.

(c) Conduct hearings and investigations and determine and prescribe the scope thereof;

(d) Require any person to submit to it such returns in such form as it may require.

(e) Prohibit or require the doing of any act by any of the parties to an application which is before the Board.

(f) Provide mediation services upon the request of a party to a dispute concerning surface rights.

BOARD ACTIVITY 1987/88

(April 1/87 - March 31/88)

Signed Agreements		
Registered leases brought forward	876	
Registered leases 1987/88	156	
Carried forward		1032
Review of Compensation Applications		
Applications brought forward	23	
Applications 1987/88	29	
Settled 1987/88	51	
Carried forward		1
Right of Entry Applications		
Applications brought forward	0	
Applications 1987/88	5	
Settled 1987/88	4	
* Carried forward		* 1
Damage Claims (Tortious Acts)		
Applications brought forward	1	
Applications 1987/88	1	
Settled 1987/88	0	
Carried forward		2
Abandonment Notices		
Notices brought forward	102	
Notices 1987/88	38	
Settled 1987/88	26	
** Closed 1988	** 83	
Carried forward		31

Other Applications:

Termination of Board Order		
Applications brought forward	7	
Applications 1987/88	0	
Settled 1987/88	5	
Carried forward		2

* ROE granted and interim compensation ordered. Final determination of compensation to be determined.

** Change in legislation.

BOARD ACTIVITY 1987/88 cont'd.

Absentee Mineral Rights Owner		
Applications brought forward	3	
Applications 1987/88	0	
Settled 1987/88	0	
Carried forward		3
Application for Abandonment Order		
Applications brought forward	3	
Applications 1987/88	9	
Settled 1987/88	6	
Carried forward		6
Board Orders Issued		48

BOARD ACTIVITY 1986/87

SIGNED AGREEMENTS FOR SURFACE LEASES	
Registered Leases	74
REVIEW OF COMPENSATION APPLICATIONS	
Applications	8
Settled*	1
Outstanding	7
RIGHT-OF-ENTRY APPLICATIONS	
Applications	4
Settled*	4
Outstanding	0
DAMAGE CLAIMS (Tortious Acts)	
Application	1
Settled*	0
Outstanding	1
ABANDONMENT NOTICES	
Notices	61
Settled*	13
Outstanding	48

Other Applications:

TERMINATION OF BOARD ORDERS	
Applications	8
Settled*	1
Outstanding	7
ABSENTEE MINERAL RIGHTS OWNER	
Applications	3
Settled*	0
Outstanding	3
APPLICATION FOR ABANDONMENT ORDER	
Applications	3
Settled*	1
Outstanding	2
BOARD ORDERS ISSUED	51

* Those files listed as settled were not necessarily settled in the year in which they were received.

BOARD ACTIVITY 1985/86

SIGNED AGREEMENTS FOR SURFACE LEASES	
Registered Leases	351
REVIEW OF COMPENSATION APPLICATIONS	
Applications	90
Settled*	58
Outstanding	32
RIGHT-OF-ENTRY APPLICATIONS	
Applications	28
Settled*	24
Outstanding	4
DAMAGE CLAIMS (Tortious Acts)	
Application	4
Settled*	4
Outstanding	0
ABANDONMENT NOTICES	
Notices	44
Settled*	3
Outstanding	41

* Those files listed as settled were not necessarily settled in the year in which they were received.

BOARD ACTIVITY 1984/85

SIGNED AGREEMENTS FOR SURFACE LEASES	
Registered Leases	259
REVIEW OF COMPENSATION APPLICATIONS	
Applications	48
Settled*	48
Outstanding	0
RIGHT-OF-ENTRY APPLICATIONS	
Applications	19
Settled*	19
Outstanding	0
DAMAGE CLAIMS (Tortious Acts)	
Application	1
Settled*	1
Outstanding	0
ABANDONMENT NOTICES	
Notices	29
Settled*	10
Outstanding	19

* Those files listed as settled were not necessarily settled in the year in which they were received.

BOARD ACTIVITY 1983/84

SIGNED AGREEMENTS FOR SURFACE LEASES	
Registered Leases	192
REVIEW OF COMPENSATION APPLICATIONS	
Applications	246
Settled*	243
Outstanding	3
RIGHT-OF-ENTRY APPLICATIONS	
Applications	45
Settled*	45
Outstanding	0
DAMAGE CLAIMS (Tortious Acts)	
Application	15
Settled*	15
Outstanding	0
ABANDONMENT NOTICES	
Notices	17
Settled*	4
Outstanding	13

* Those files listed as settled were not necessarily settled in the year in which they were received.

BOARD ORDERS

In the fiscal year 1987/88, the Surface Rights Board issued a total of 48 Board Orders.

BOARD ORDERS ISSUED 1987/88

Applicant	Particulars	File Number	Order Number	Date Issued	Decision of Board
Resman	Abandonment	252-85-A(N)	15/87	Apr.21/87	Granted
Chevron	Abandonment	269-85-A(N)	16/87	Apr.21/87	Granted
Roxy	Abandonment	324-86-N	17/87	Apr.21/87	Granted
Roxy	Abandonment	324-86-N	18/87	Apr.21/87	Granted
Roxy	Abandonment	325-86-M	19/87	Apr.21/87	Granted
Roxy	Abandonment	326-86-N	20/87	Apr.21/87	Granted
Chevron	Abandonment	315-86-N	21/87	Apr.21/87	Granted
Tundra	Abandonment	120-84-A(N)	22/87	Apr.21/87	Granted
Peregrine	Abandonment	128-85-A(N)	23/87	Apr.21/87	Granted
Saskoil	Abandonment	110-84-A(N)	24/87	Apr.21/87	Granted
Saskoil	Abandonment	303-85-A(N)	25/87	Apr.21/87	Granted
Omega	Abandonment	278-85-A(N)	26/87	Apr.21/87	Granted
Chevron	Abandonment	93-84-A(N)	27/87	Apr.21/87	Granted
Enron	Abandonment	361-87-N	28/87	Apr. 21/87	Granted
Int.Intlake	Abandonment	333-86-N	30/87	Dec. 4/87	Granted
Chevron	Abandonment	132-85-A(N)	31/87	Dec. 4/87	Granted
Saskoil	Abandonment	286-85-A	32/87	Dec. 4/87	Granted
Resman Oil	Abandonment	250-85-A(N)	35/87	Dec. 4/87	Granted
Westmin	Abandonment	280-85-A	36/87	Dec. 4/87	Granted
Enron Oil	Abandonment	387-87-N	37/87	Dec. 4/87	Granted
Enron Oil	Abandonment	388-87-N	38/87	Dec. 4/87	Granted
Enron Oil	Abandonment	294-85-A(N)	39/87	Dec. 4/87	Granted
Enron Oil	Abandonment	389-87-N	40/87	Dec. 4/87	Granted
Newscope	Abandonment	379-87-N	41/87	Dec. 4/87	Granted

Newscope	Abandonment	380-87-N	42/87	Dec. 4/87	Granted
Newscope	Abandonment	381-87-N	43/87	Dec. 4/87	Granted
Newscope	Abandonment	382-87-N	44/87	Dec. 4/87	Granted
Int.IntLake	Abandonment	378-87-N	46/87	Dec. 4/87	Granted
Resman	Abandonment	386-87-N	47/87	Dec. 4/87	Granted
Saskoil	Abandonment	370-87-N	48/87	Dec. 4/87	Granted
Newscope	Abandonment	390-87-N	51/87	Dec. 4/87	Granted
Omega	Right-of-Entry	388-87-A	52/87	Sept.10/87	Granted
Dome	Abandonment	394-87-N	58/87	Dec. 4/87	Granted
Brunswick	Abandonment	328-86-N	59/87	Dec. 4/87	Granted
Enron Oil	Abandonment	330-86-N	60/87	Dec. 4/87	Granted
Tundra	Abandonment	345-86-N	61/87	Dec. 4/87	Granted
Enron Oil	Abandonment	341-86-N	62/87	Dec. 4/87	Granted
Lasmo	Aband.Order	322-87-A	63/87	Oct. 28/87	$5,250
Omega	Amend.Order	388-87-A	64/87	Nov. 19/87	Amend.O.
Omega	Right-of-Entry	390-87-A	65/87	Dec. 4/87	$5,500/ $2,000
Lasmo	Abandonment	322-87-A	66/87	Dec. 4/87	Granted
Omega	Amen.O.	173-85-A	67/87	Dec. 4/87	$5,500/ $2,000
Omega	Amen.O.	174-85-A	68/87	Dec. 4/87	$5,500/ $2,000
Omega	Amen.O.	172-85-A	69/87	Dec. 4/87	$5,500/ $2,000
Omega	Amen.O.	270-83-A	70/87	Dec. 4/87	$5,500/ $2,000
Omega	Comp.	271-83-A	71/87	Dec. 4/87	$4,000/ $1,750
Omega	Abandonment	264-85-A	72/87	Dec. 4/87	Granted
Omega	Abandonment	263-85-A	73/87	Dec. 4/87	Granted